Remarks

The Office Action dated September 21, 2004 has been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1-31 are pending in this application. Claims 1-31 stand rejected. However, the Office Action indicates at page 11 that Claims 1-31 are deemed allowable over prior art subject to acceptable resolution of the outstanding rejections presented in the Office Action.

In accordance with 37 C.F.R. 1.136(a), a one month extension of time is submitted herewith to extend the due date of the response to the Office Action dated September 21, 2004, for the above-identified patent application from December 21, 2004, through and including January 21, 2005. In accordance with 37 C.F.R. 1.17(a)(3), authorization to charge a deposit account in the amount of $120.00 to cover this extension of time request also is submitted herewith.

The rejection of Claims 15-21 and 30-31 under 35 U.S.C. § 112, first paragraph is respectfully traversed.

Applicant respectfully submits that independent Claim 1 is not a means plus function claim as suggested by the Office Action at page 3. Particularly, Claim 15 is not written in means plus function format. There is no means plus function language in Claim 15. Rather, Claim 15 recites a computer comprising a processor that is programmed to perform a plurality of specific tasks. Specifically, the computer is configured by the program to perform the plurality of tasks.

Applicant submits that only a computer that has been programmed to perform the plurality of tasks is covered by the claim, not every conceivable computer as implied by the Office Action.

The Office Action cites a number of court cases as justification of the Section 112, first paragraph, rejection. However, Applicant respectfully submits that these cases are directed to subject matter that are not analogous to the subject matter in Claims 15-21 and 30-31 of the present application. Particularly, *In re Hyatt* is directed to a claim written in means plus function format that covers a Fourier transform processor. *In re Hyatt* is not analogous to the present application because Claims 15-21 and 30-31 of the present case are not written in means plus function format. Also, cited cases *Fiers v. Revel*, *Ex parte Maizel*, and *Ex parte Kung* are non analogous because they are directed to a specific DNA molecule, a recombinant DNA vector, and a mouse monoclonal antibody, respectfully. These cases have no relationship to Claims 15-21 and 30-31 of the present application, which is directed to a computer comprising a processor that is programmed to perform a plurality of specific tasks.

Applicant submits that Claims 15-21 and 30-31 cover subject matter that is described in the specification in such full, clear, concise, and exact terms as to enable one skilled in the art to make and use the invention. Accordingly, Applicant submits that Claims 15-21 and 30-31 meet the requirements of Section 112, first paragraph.

For the reasons set forth above, Applicant respectfully requests that the Section 112, first paragraph, rejection of Claims 15-21 and 30-31 be withdrawn.

The rejection of Claims 1-31, second paragraph, under 35 U.S.C. § 112, second paragraph is respectfully traversed.

Independent Claims 1, 7, and 15 have been amended as suggested by the Examiner to overcome the Section 112, second paragraph rejections of the Office Action.

Particularly, Claim 1 has been amended to recite "predicting a payment behavior for a borrower of a non-stationary asset-based loan included within a distressed loan portfolio utilizing a collections model, . . . calculating an amount generated and expenses incurred from repossessing the non-stationary asset used as collateral for the borrower's loan utilizing a re-marketing model, . . . generating delinquency moving matrices for the group of loans including the borrower's loan to facilitate predicting roll rates; and predicting a roll rate into a next level of delinquency . . . based upon the calculated amount generated and expenses incurred and the calculated probability that an event will occur that are calculated by the re-marketing model".

Similar amendments have been made to independent Claims 7 and 15. Accordingly, Applicant submits that Claims 1-31 are definite and particularly point out and distinctly claim the subject matter which Applicant regards as the invention.

For the reasons set forth above, Applicant respectfully requests that the Section 112, second paragraph, rejection of Claims 1-31 be withdrawn.

The rejection of Claims 1-6, 22-23, and 26-27 under 35 U.S.C. § 101 as being directed to a non-statutory subject matter is respectfully traversed.

The Office Action suggests at page 10 that "Claims 1-6, 22-23, and 26-27 have no connection to the technological arts" because "none of the steps indicate any connection to a computer or technology." Applicant respectfully traverses this suggestion. More specifically, Applicant submits that the claims of the present patent application are directed to practical

applications in the technological arts. "Any sequence of operational steps can constitute a process within the meaning of the Patent Act so long as it is part of the technological arts." *In re Musgrave*, 431 F.2d 882 (C.C.P.A. 1970). For example, independent Claim 1 is directed to a method for determining roll rates for a group of non-stationary asset-based loans utilizing a computer. Applicant submits that determining roll rates for a group of non-stationary asset-based loans utilizing a computer is a useful process that is considered to be within "the technological arts".

Particularly, Claim 1 recites "calculating with a computer an amount generated and expenses incurred from repossessing the non-stationary asset used as collateral for the borrower's loan utilizing a re-marketing model". Thus, Claim 1 uses a computer system to perform certain steps of the process. Claim 1 is therefore directed to a practical application in the technological arts. Dependent Claims 2-6, 22-23, and 26-27 depend from independent Claim 1, and these dependent Claims are submitted to satisfy the requirements of Section 101 for the same reasons set forth above with respect to independent Claim 1. Accordingly, Applicant submits that Claims 1-6, 22-23, and 26-27 meet the requirements of Section 101.

For the reasons set forth above, Applicants respectfully request that the Section 101 rejection of Claims 1-6, 22-23, and 26-27 be withdrawn.

The rejection of Claims 15-21 and 30-31 under 35 U.S.C. § 101 as being inoperative is respectfully traversed.

Claim 15 has been amended to recite "said computer comprising a processor and programmed to . . . ." Applicant respectfully submits that the claimed computer includes a processor that is capable of executing the program that the computer is programmed with and is
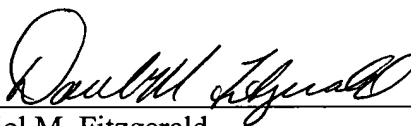
therefore operable. Applicant further submits that one skilled in the art would understand that a computer having a processor that is programmed to perform specific functions is operable. Accordingly, Applicant submits that Claims 15-21 and 30-31 meet the requirements of Section 101.

For the reasons set forth above, Applicant respectfully requests that the Section 101 rejection of Claims 15-21 and 30-31 be withdrawn.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Favorable action is respectfully solicited.

Respectfully submitted,

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